

INSTITUTE OF CURRENT WORLD AFFAIRS

FMF-1

Guyana: A Developing Nation

Georgetown, Guyana

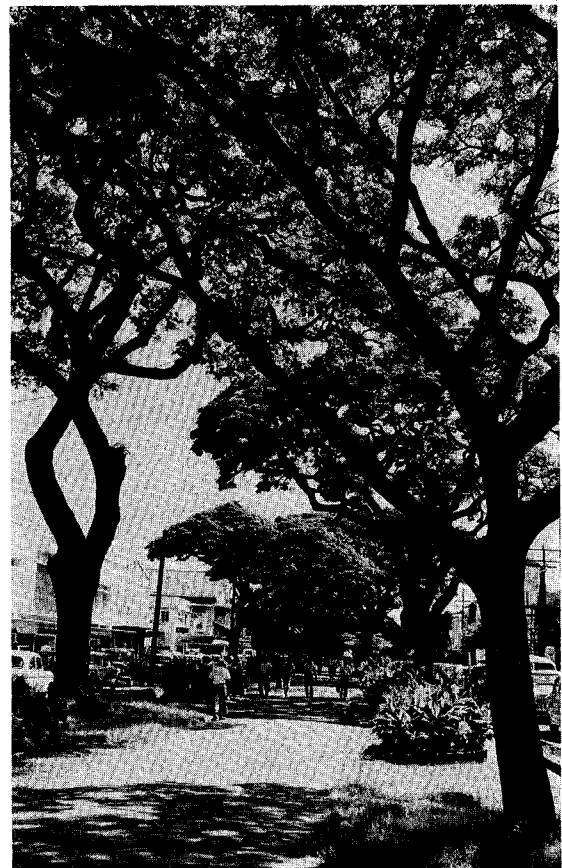
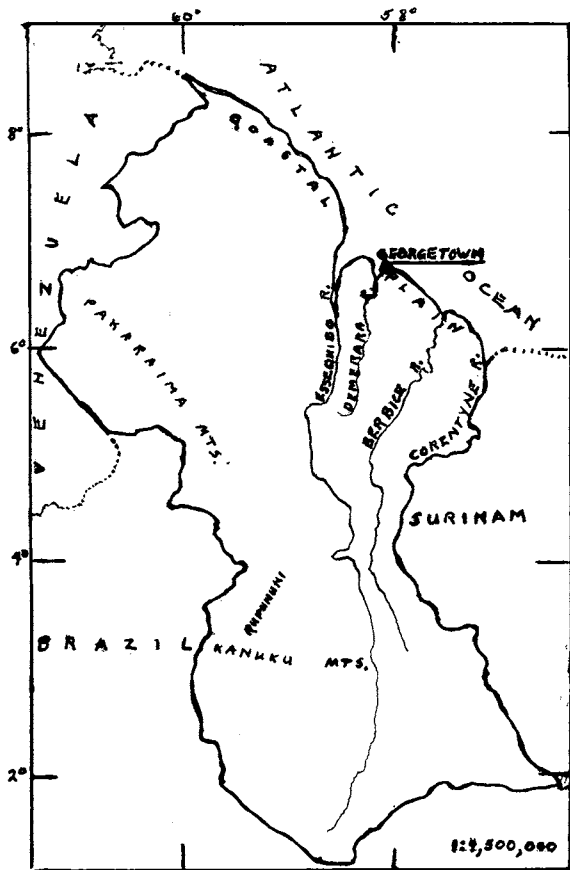
20 July 1967

Mr. Richard H. Nolte  
Institute of Current World Affairs  
366 Madison Avenue  
New York, New York 10017

Dear Mr. Nolte:

I shifted back and forth along the grassy bank of the canal running down the center of High Street in Georgetown, checking the viewer to get the scene framed by trees but free of power lines. The subject of the photograph was a jubilant masterpiece of colonial architecture—a wooden frame house, robin's egg blue, piercing three stories high to pinnacles and gables and cockscomb spire, graced by a loggia of slim gothic arches, and bedecked by bric-a-brac and vibrios at every angle. Just as I was ready, an ample woman in flaming red dress crossed the bridge in the foreground.

BELOW: On the left, a map of Guyana, on the north coast of South America. On the right, Main Street, Georgetown. The capital of Guyana is below sea level, protected by an elaborate sea defense. Some canals which once drained the city have been filled in to form boulevards shaded by red-flowering saman trees.



I released the shutter. We smiled at each other, and I complimented her on the buildings of her city. Within three minutes, she was inviting me to her home.

"You must know our countryside---it's so pretty and green. You come out to my town anytime you can and ask for me, Mistress Craig, and I'll show you around and see that you meet the people."

Her black face was a soft swirl of wide smile, friendly eyes and rounded features. Seeming smaller than her face, a narrow-brimmed straw hat perched square on the top of her head, the typical headgear of Guyanese women.

"You just catch the 11:30 bus in front of Stabroek Market and tell the driver you want out at Moca-on-the-East-Bank. Drop me a note ahead if you have time, and I'll meet you at the stop---just send it to Mistress Craig, Moca-on-the-East-Bank. It's sugar country and you should see it before you leave."

We parted warm friends, she to catch her bus back home and I to continue my Sunday afternoon orientation stroll. Mistress Craig was quickest with her invitation, but I soon found that every Guyanese was eager to befriend in an open, sincere manner. And my week in Guyana was a happy accumulation of generous hospitality and helpfulness, from the man-on-the-street to the highest government official.

About the only thing most of us in the United States know about the former British Guiana is that it had a flamboyant "Communist leader" named Cheddi Jagan, and that he compounded the Castro headache of the U.S. Government in the early 1960's. This little nation, which gained its independence in May 1966, deserves more attention.

To look at Guyana is to look at the developing world in microcosm. As a new nation, its leaders are exhilarated by the game of popular government and teeter on the edge of demagoguery in their manipulation of the masses. It is a country whose export earnings depend on agricultural products and yet whose balance of payments staggers under the burden of foodstuff imports. "Development" is the fever of the day, but administrative overhead and debt charges consume the bulk of the revenues. Guyana is plagued by two major bottlenecks to progress and stability: unemployment and shortage of capital.

Unlike the other sovereign states of South America, it continued for the last century and a half under colonial tutelage. In fact, it is unlike the rest of South America on many scores. The Guyanese sometimes describe their country as "an island on the continent surrounded on three sides by land". It is an English-speaking enclave with traditions and values which constantly jolted my Latin-oriented analysis.

The powdered wigs of the judiciary remain, symbols of a high respect for law, courts, and magistrates. Bribing a policeman is a despicable act beyond the thought of either enforcement officer or lawbreaker; a policeman may call on the public for assistance if he is being resisted in the execution of his duty, and refusal to comply may be punished by fine or jail term.

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**INSTITUTE OF CURRENT WORLD AFFAIRS**



Frances M. Foland,  
film maker, lecturer,  
and writer on Latin  
American subjects,  
has been awarded an  
Institute fellowship  
for a program of  
study, travel, and

research in Brazil and other South American  
countries on the general subject of social  
change and modernization.

This is her first newsletter.

R. H. Nolte



Education is the prime value of the middle class; parents deny themselves throughout their lifetime in order to send their children, boys and girls alike, to England or the United States for university training. Primary school attendance is compulsory, enforced by truancy officers, and education is usually the largest service item of the budget, 16% of the total in 1966. Although the Guyanese has his own incomprehensible patois which he may use among his peers, he can also usually speak an Oxford English reminiscent of aristocracy. The literacy rate is over 83%.

In further contrast to such areas as Northeast Brazil, the cultivation of sugarcane is a rational and efficient operation, based upon a labor force which is adequately remunerated and benefitted by social services. Fertilizers are fully utilized, and machinery is generally of post-World War II vintage.

However, here also start some unfortunate similarities which Latin America. As with her continental neighbors, Guyana's lifeblood depends overwhelmingly on exports of two types: agricultural and extractive. Food crops and their by-products composed almost half of the 1966 export earnings, supplemented by another near-half from mineral ores.



ABOVE: Panning for diamonds. Small operators, called "pork-knockers", search for diamonds in gravel and sands at the base of the Pakaraima Mts. Gold is also panned in Guyana. The other major minerals are bauxite and manganese.

As with many Latin American nations, Guyana's economy is highly vulnerable due to disproportionate dependence on one crop: sugar. Almost 30% of her trade credits come from this monoculture whose world price is unstable and beyond Guyana's control. Out of a total national population of 620,000, at least 100,000 are directly dependent upon this agricultural industry which now leans on subsidies to keep it alive.

Cutting sugarcane has been the plight of Guyanese farm laborers since the Dutch, driven out of Brazil, first implanted the crop in the mid-17th century. Applying their consummate skills in sea defense, they constructed an elaborate system of dikes, ditches and kokers to hold back the salt water from the fertile, accretionary soils along the coast.

As is always the case with all-encompassing extensive crops, sugar demanded a huge labor force whose composition has profoundly affected the societal make-up of the country. For a century and a half it was African slavery which provided the muscles. Europeans formed the plantocracy, English rule replacing Dutch by purchase in 1814. Conscience pangs and a few bloody revolts led the English to abolish Guyanese slavery in 1834. The effect on the 220 plantations, stretching from the Essequibo to the Corentyne Rivers, was crippling; the Africans, eager to break all association with the slave past, vacated the sugar estates to till their own small plots or live in the city.

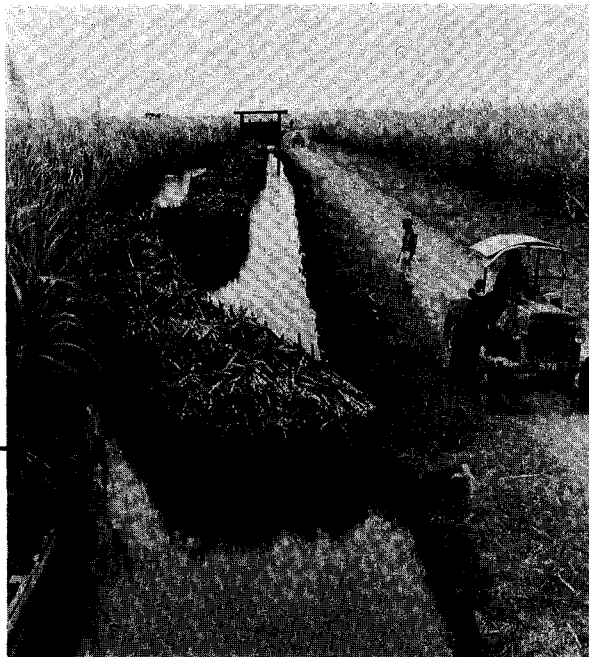
To survive, the sugarmen thrashed the world's labor markets for a couple of decades and came up with a good crop in the 1850's: indentured laborers from India. Docile, frugal and hard-working, they are till today the foundation of Guyana's rural economy. The Africans, at that time more numerous and aggressive, looked down upon the East Indians as pariahs reduced to doing the work of slaves.

Due to labor shortages and economic crises, the 220 estates are now merged into 11, but not 11 proprietorships: two English firms cultivate 94% of Guyana's sugarcane. Bookers of London is the giant, processing almost 90% of the crop. When Guyana was British Guiana, it was familiarly referred to as "B.G."; with some truth, these initials were often construed to mean "Bookers' Guiana".

Another wave of English conscience after World War II greatly improved the living conditions of the sugar worker. His pay exceeds his yield; he has hospitals, schools and low-cost housing. Bookers' operation is rational and just, concerned with the welfare of the nation and successful in the "Guianisation" of its executive staff. It is cooperating with the government program of "decolonisation" to set up more small cane-growers; these independents now produce 5.6% of the crop.

But the plantation psychology permeates the society, hindering a modernization of the country's agricultural economy. Although the crop is subsidized under the Commonwealth Sugar Agreement which could come to an end, Bookers' plant and know-how is oriented only toward sugar, which it continues to consider the most promising moneymaker; pressured by economic circumstance and the newly-independent government, it begrudgingly considers some small diversification of its 100,000 acres.

TO THE RIGHT. Loaded sugar punts on a Bookers estate. Cane lands stretch along the coastal plain which is below sea level. Maintenance of an intricate system of irrigation and drainage costs \$10 (U.S.\$6) per out ton. Salt water seepage and low sucrose content due to the terrain also increase production costs.



The new government is eager to open up the country's interior; 90% of the population lives on the coast, and the rest of the 83,000 square miles is largely unknown. But who are the pioneers to settle it? The Africans who compose a third of the population are gregarious and not attracted by pioneer undertakings; more and more they are migrating into the cities. The East Indians now number over 300,000---better than half of the Guyanese. But those who have done well have taken the route of merchants, and the rest are tied to traditional agriculture and can conceive only of two crops, neither suited to inland climate and soils: rice and sugar. Cultivation of high yield crops on an intensive basis is strange to them. Again the plantation psychology reveals itself in the wage-orientation of peasant and proletariat. Generations of dependence upon "the system" have quelled initiative. Small-scale homesteading in the Rupununi savannas far to the south has largely been the work of hardy Scots and Irish who raise cattle under primitive conditions.

Over-exploitation of the accessible resources characterized colonial rule, and Guyana was no exception. In tropical countries with unexplored reaches, the temptation is especially great, both colonizer and native presuming that there is "always more where this comes from". In contrast, a country such as Japan had the advantage of a sharp awareness of her limited resources and, therefore, the necessity of protecting and maximizing them. But in most of South America, the land has suffered centuries of soil abuse, forest destruction and partial productivity due to a sort of El Dorado belief in infinite riches. Now, modern surveys in Guyana, and similar nations, are revealing that it is indeed a small country in terms of potentials; bad habits must be changed.

A need for economic discipline interjects itself into an era of political euphoria. Though the leading politicians have the great advantages of good higher educations and first-hand knowledge of the democratic system, in their pursuit of power they cannot resist the temptation to exploit an inexperienced polity. Not peculiar to Guyanese politics, campaigners tend to overblow their promises and pit one faction against another. But in a country such as Guyana,

this is a dangerous game which, so far, the politicians have managed to play just beyond the point of peril before drawing back to reestablish an equilibrium.

The game has exacerbated incipient paternalism and racial tensions. In a country which needs badly to buckle down to the exigencies of development, the peoples' will to work is weakened by the illusion that the government will take care of everything. When the population was small and the colony was a protected part of the British Empire, its needs were met like those of a child. Perhaps a coastal road was wished; local revenues were not available so largess was beseeched of the Crown. All reasonable entreaties were answered. But now Guyana is politically independent and yearns to be self-supporting at a time its population proliferates at a rate of almost 3.5% a year and almost 60% are under 20 years of age. The burden on the producing sector is heavy. Politicians' promises have led to a crisis of rising expectations because also rising is unemployment, now almost 20%.

Real or imagined differences are emphasized as a pluralistic society, becoming poorer, also longs for "new necessities". It is, therefore, unfortunate that the two protagonists of the political scene, Cheddi Jagan and Forbes Burnham, have chosen to divide their forces along racial lines: East Indians with Jagan, Africans with Burnham. Since 1964, the government has been under the administration of Prime Minister Burnham.

Mistress Craig was my short, friendly encounter on my first day. James Stafford was my long friendly encounter. His story tells much of the plight of the man-in-the-street upon whom political and economic statistics are built. We walked and talked together for an hour and a half after he had hailed me to ask if he could be of assistance in any way. He was a good-looking young man, in his early 20's. His face was intelligent, expressively contoured and animated, though his eyes had an opaque film suggesting some dormant jaundice condition.

Guyana is often called "the land of the six races"---Africans, East Indians, Chinese, Portuguese, European and Amerindian---and Stafford was a full-blooded representative of the African "race". He was highly articulate---his store of information, vocabulary and cultured voice implying a university education, though I soon learned he had reached only high school, with special training in motor mechanics.

He had been unemployed for six months. From school he went directly into Her Majesty's Forces, intending to make it a career, but shortly after Guyana's independence, it was disbanded. He turned then to construction work on the new highway being built with a U.S.A.I.D. loan between Georgetown and Mackenzie, but, when misappropriation of funds was discovered, there was a retrenchment, and he along with many others were laid off. Next he tried the Bookers estates, but politically-inspired strikes in 1964 and 1965 had led to a cut-back in employment, and he was told that the experienced hands would be rehired before he would be considered. The Guyana Airways seemed a promising possibility with his mechanical skills, but he was told their equipment was reduced to a pittance: only one amphibian craft was operative to service the whole of the interior. Mechanics were, therefore, being let off. Though a city-boy by birth, upbringing and training, he decided to apply for a credit loan in order to stake an agricultural venture; the



government agency demanded collateral, and he could not produce it.

When I asked him where he would turn next, there was no answer. Even so, he supports the government, feels it is doing its best under the circumstances and certainly sees no alternative---that is, Jagan---for him, an African. He was the first to inform me of many things that Guyanese officials later corroborated. Besides the facts of the economy, the Bookers domain, the Venezuela dispute, the foreign bauxite holdings, the political manipulations of both sides---he also called attention, with accurate data, to Burnham's attempt to assuage the East Indian population by adhering to recommendations made by a Commission of Inquiry appointed by the International Commission of Jurists. Crux of this Commission's report was the urging of increased recruitment of East Indians into the police and defense forces and the civil service. These have been traditional bailiwicks of African and mulatto groups. Though Stafford did not criticize the government for doing so, he did voice concern that increased Indian numbers in these decisive units would enhance Jagan's strength in future elections.

The political balance is delicate. There are three parties of significance: the People's Progressive Party (PPP) led by Dr. Jagan and supported largely by East Indians who number just over half of the population; the People's National Congress (PNC) led by Prime Minister Burnham and dominantly African, representing about a third of the population; and the United Force (UF) led by Mr. Peter D'Aguiar, representing the Portuguese and business communities.

The 1964 election was run under a newly-established system of proportional representation which dissipated the voting strength of the incumbent PPP and worked to the advantage of the other two parties. Dr. Jagan's party received 45.84% of the votes but could not form a government; therefore, it went to a coalition of the PNC with 40.52% of the votes and the UF with 12.41%.

There was considerable manipulation and far too much violence leading up to that election. Besides the usual political ambitions, there was one compelling reason for the fervor of the times: a fear, at both national and international levels, of Dr. Jagan's Marxist rhetoric and friendships.

The PPP held power for seven years in British Guiana between 1953 and 1964; Jagan and Burnham were allied as its leaders until 1955. Yet for all of these years of opportunity, Dr. Jagan does not seem to have initiated any significant program which smacked of Communism. I asked several men active in the present government, and they readily attested to his moderate policies. Some reforms---of the type long since consummated in the United States---were effected in fields such as education, and some behind-the-scenes squabbles suggested collective solutions to agricultural problems. But, all in all, the most telling criticism was not that his government undertook radical, socialist measures; to the contrary, it was that it tended to bog down in words and plans without bringing them to fruition.

Jagan and his followers bear an understandable resentment of the machinations leading to his defeat by means of the proportional system in the 1964 elections. They continue active and alert as a not-always-loyal opposition, awaiting another chance in the next elections, early in 1969.



ABOVE. The Sea Defense. Of its 270 miles of coastline, Guyana must protect 180 miles by means of a costly wall. Recent hydrographic studies make it possible to predict where breaches might occur, according to cycles of erosion and accretion. Pictured are gabion baskets being filled with boulders seaward of the cut off wall.

TO THE RIGHT. Bauxite Mining. Following sugar, bauxite is the major export of Guyana. It is mined and shipped by Aluminium of Canada and Reynolds Metal Co. Largest deposits are around Mackenzie on the Demerara River. In the photo, a walking dragline removes the heavy overburden which increases production costs.



By good luck, I met Sirpaul Jagan at a cocktail party my second day in Guyana. Handsome and charming, he agreed with some reservation to help me reach his famous brother. The next morning, I talked with Dr. Jagan on the telephone and, although he agreed to see me, he asked first to send some articles he had written so that we would have a basis for our conversation. A few of the titles in the pile I received gives a good idea of their subject matter: "U.S. Intervention in Guyana", "CIA Money", "CIA and Thought Control", "Hand of CIA Apparent in Greek Military Coup", "Government Sets Machinery to Rig Next Election", "PPP Will Fight Election Fraud".

The crux of the argument running through these papers is that the U.S. Government, having decided that Jagan was too dangerous to stay in power, first pressured the British Government to establish the system of proportional representation and then, via CIA, financed and abetted the Burnham victory, particularly through trade union channels. To support his charges, he quotes from writings by Arthur M. Schlesinger, Jr., Victor Reisel, Drew Pearson---coverage by the Associated Press and The New York Daily News---and testimony before a Sub-Committee of the House of Representatives. Most of the materials he sent were reprints from Georgetown publications, and their content is common knowledge to the average, well-informed Guyanese.

I was forewarned that Dr. Jagan has a winning personality, is a smooth-talker---but that at the end of a session with him, you find yourself with little information of substance. Because of the publications, I was prepared to hear an hour's tirade about U.S. imperialism.

I went at 8:30 a.m. for the appointment in his office at Freedom House---an old, frame building, two-stories high, with a bookstore occupying the street level. I was taken directly into his small, partially-enclosed office where he sat behind his desk in short-sleeve sports shirt. There was little of note in the room except a photograph of Fidel Castro on the sidewall and a copy of The Invisible Government on the shelf directly behind him. Though fairer in complexion, his features are typically East Indian, dominated by dark eyes under heavy brows; his voice is deep and rich.

I said I had read the articles, found them interesting, but was concerned with economic and social development rather than international matters. For over an hour we discussed the internal affairs of Guyana with scarcely the mention of "U.S." or "imperialism":

"To cope with unemployment we had three main thrusts---education, agriculture and industry. First of all, we believed in keeping the young people in school as long as possible."

He then explained his government's school reform which most people in Guyana agree was a good thing. Formerly, the federal government built the schools and salaried the teachers, but policy, teacher selection and pupil admittance were under the control of the Christian churches which administered them. Dr. Jagan said that this resulted in a biased curriculum and discrimination against Muslim and Hindu teachers and children. Therefore, his government took over 51 schools built with federal funds and converted them into fully public institutions. Sixteen elementary schools, scattered throughout the country, were expanded into all-age schools to increase opportunities

for secondary education. Teacher-training centers were enlarged, and Guyana's first university was founded in Georgetown.

Jagan pointed out that the present government had cut back or altered some of these programs. Checking on this, I found that it was probably so--- in the case of the all-age schools, because of insufficient staff and funds; in the case of the university, to rid it of "leftist elements".

"In agriculture we tried to increase jobs by opening up new lands and by giving incentives to the small farmers to produce more. This latter we accomplished through the use of the government's marketing installations which guaranteed the farmer a just price for those crops which needed expansion---and, in turn, the produce was sold on the retail market at prices aimed at encouraging consumption. But, the current government has abandoned this program of incentives---purchase prices have dropped at the same time consumer prices have advanced."

A report by a Food and Agriculture Organization marketing expert who spent two years in British Guiana, 1962-1964, corroborates Jagan's description of the subsidy program under his administration. E.L. Levie, from Israel, says:

"The subsidization or price support policy is intended ultimately to increase and diversify agricultural production, increase food supply for local consumers and develop marketing on cooperative lines. In addition, it aims at promoting import substitution, i.e., the prevention of excessive importation of food which can be grown in the country and the development of agricultural exports."

The supports covered milk, corn, plaintains, sweet potatoes, cassava, eddoes, tannias, yams, cabbages\*, blackeye peas\*, peanuts\*, dhal and other vegetables\*. In addition to supports, farmers planting those crops with asterisks received a bonus of BWI\$20.00 (U.S.\$12.00) per acre.

However, Levie found that "the necessarily ensuing deficits are quite beyond the resources of the Treasury"; the government's loss on the program was BWI\$601,000 by 1962. He criticized the mechanism on two major counts:

"1) unrealistic price support policy which impedes the organization's operating on a self-service basis;

"2) inefficient operation due to the absence of adequate control, skilled management, technical know-how, freedom of action, and to some extent the lack of adequate facilities and their neglected upkeep."

The third thrust against unemployment, mentioned by Dr. Jagan, was industrialization. Noting little progress in this field during his administration, he said:

"We were stymied in industrial development. Because of our economic views, foreign loans and investments were few and small. Also, the terms were unsatisfactory---there is such competition now to get foreign capital that a small underdeveloped country like ours must sell its soul---income

tax holidays, duty free imports, tariff protection, low wage rates, investment concessions, unlimited remittance of profits, no-strike laws, etc. If we are not willing to let a company come in on its own terms, it can easily go to another "little fish" and get what it wants.

"So, we set up the Industrial Development Corporation which was not only to attract and stimulate, but also to undertake industrial ventures. This government has, by law, removed the word "undertake" from the Corporation's charter."

As to the 8% increase in Guyana's GNP in 1966, he dismissed it as misleading since the population growth wiped out 3% and the inflation another 2%. He lamented the high cost of general administration, 44% of the budget---and of debt services, 16%; he projected into the '70's and observed that because of additional charges resulting from loans incurred by the Burnham government, only 26% of the federal budget will be available for services.

Dr. Jagan's figures were not refuted by those with whom I checked. It was observed, however, that the two major expenditures are normal in developing countries and that, no matter the administration, they must be borne.

To balance this report, an interview with Prime Minister Burnham would have been most useful. However, during my week in Guyana, he was in Canada, visiting Expo '67 and negotiating trade terms.

All agree that Forbes Burnham is a powerful personality. A barrister, educated in England, he has a high reputation as a scholar, as well. His gift for oratory is called "Churchillian". I was told that in a confrontation between Jagan and Burnham, the Prime Minister triumphs with his skill in language and legal argument. (Dr. Jagan is a dentist, educated in the United States.) The men who work in the present government speak of "My Prime Minister" with respect, and do not question his leadership ability.

In 1968, leading up to the national elections in early 1969, there will be another critical test of the strength of the two forces. Both leaders possess great charisma. By sheer numbers, it would seem that Jagan has the edge due to the majority of the population's being East Indian. However, he has scared off some of the well-to-do Indians and, more important, his strength lies only in the rural areas. "Checks and balances" within the current political scene give Burnham a number of advantages: his incumbency and the system of proportional representation; his control of the cities due to the overwhelming urban vote of the African element; the support of the trade union movement and the civil service.

Furthermore, if Dr. Jagan's charges have any basis in truth, it can be presumed that the United States and Great Britain would not take an entirely neutral role, should there be any real threat of a Jagan victory. Because he has rallied formidable opposition forces, Dr. Jagan may have crippled, if not killed, his political career due to rhetoric which exceeds his true purpose.

That the future will bring an East Indian Prime Minister seems assured: they are a prolific and hard-working people. The Burnham government has taken certain concrete steps to assuage this sector and benefit it economically, although impartial observers lament that the Prime Minister has not appointed a doyen of the Indian community to a Ministry post.

Party loyalty is probably set along ethnic lines, but if the two responsible leaders can maintain the competition on a peaceful and democratic basis, the society may avoid a permanent schism. Improved economic conditions would certainly alleviate the tension.

In any terms---political, economic, social---to look at Guyana is to look at the developing world in microcosm.

\* \* \* \* \*

In closing, I would like to thank the many people in Guyana who helped me learn about their country: Mistress Craig and James Stafford; Pat Forte, Co-ordinator, Power Development Survey, Ministry of Works and Hydraulics---and his wife and daughter; Steven A. Angoy, Permanent Secretary, Ministry of Agriculture and Natural Resources; David DeGroot, Parliamentary Secretary, Office of the Prime Minister; Robert Jordan, Minister of Agriculture and Natural Resources; S.S. Ramphal, Attorney General and Minister of State; Cheddi Jagan, Leader of the Opposition; Edward Beharry, Industrialist; Martin Carter, Minister of Information; Gavin Kennard, General Manager of the Guyana Development Corporation; Antony Tasker, Chairman, Resident Board, The Booker Group in Guyana; Pat Thompson, Executive, The Booker Group in Guyana; Diane McTurk, Press & Public Relations Officer, Guyana Sugar Producers' Association; and the staff of the Enmore Sugar Estate.

Very special mention goes to the two who opened the doors for me: Elsa Mansell of the Guyana Diplomatic Corps, and Richard P. Jones, of Delson & Gordan, New York.

Sincerely yours,



Frances M. Foland

Photos: Guyana Information Services

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